[The Vice-Chairman (Shri Hanumanthappa) in the Chair]

Regarding administrative aspects, I have not much to say. The real academicians, I mean the technologists and the technicians who have love for the profession, will be happy if they are provided with all possible facilities for their jobs and receive recognition for good work done by them.

With these few words, I conclude and I support the Bill wholeheartedly. Thank you.

श्रीमती कृष्णा साहे : उपसभाध्यक्ष महोदय, सदन में अखिल भारतीय तकनीकी शिक्षा परिषद् विधेयक पर माननीय सदस्यों ने अपने विचार व्यक्त किये हैं। बहुमूल्य सुझाव भी दिये हैं इसके लिए मैं आभार प्रकट करती हूं।

आप सभी सदस्यों को जानकारी है कि तकनीकी शिक्षा में समन्वय और स्तरों का निर्धारण पूर्व में ही केन्द्रीय सरकार की जिम्मेदारी रही है। देशभर में तकनीकी शिक्षा के विकास के लिए समन्वय स्तर का निर्धारण और उसकी क्वालिटी मानो गुणवत्ता बनाये रखने के लिए दिशा निर्देश दिये जायें ताकि अद्यतन बना रहे इसके लिए अखिल भारतीय शिक्षा परिषद् की स्थापना 1945 में हुई थी जैसा कि अनेक माननीय सदस्यों ने भी बताया है। पहले यह विशेषज्ञों की सलाहकार समिति के रूप में कार्य करती रही। राष्ट्रीय विशेषज्ञ समिति के रूप में कुछ वर्षों तक बड़े ही अच्छे ढंग से इस परिषद् ने काम किया और तकनीकी शिक्षा से सम्बन्धित समय-समय पर परामर्श भी देती रही परन्तु जैसे-जैसे समय बीतता गया उसके पश्चात् राज्य सरकारों ने इस परिषद् की बातों की ओर, इनके दिशा निर्देश की ओर तथा जो मानदण्ड था या जो दिशा निर्देशन दिया जाता था उसकी अनदेखी करना शुरू किया, उसकी अवहेलना होने लगी। इंजीनियरिंग कालेजों एवं पोलीटेकनिक्स का मशरूम ग्रोथ होने लगा। ऐसी संस्थाओं में कैपिटेशन फी लेकर नामांकन होने लगा, तो इस विधेयक को लाने पर विचार किया गया। यहां तक कि बहुत सारे कालेज में आधारभूत ढांचे

4:00 P.M.

श्री सत्य प्रकाश मालवीय : 4 बजे गये हैं, मूल्य स्थिति पर चर्चा की जाये।

(व्यवधान)

मूल्य स्थिति पर चर्चा होनी बहुत आवश्यक है, यह कई दिनों से चल रही है।

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): If Members agree, we can complete this and later we can also complete the Discussion on the Price Situation.

श्री सत्य प्रकाश मालवीय : 4 बजे गये हैं। कार्यावलि में 4 बजे का समय दिया गया है।

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): That is why I am putting it to the House.

श्री सत्य प्रकाश मालवीय : मूल्य स्थिति पर चर्चा होनी चाहिए, इस पर कल हो जायेगा।

श्रीमती कृष्णा साहे : क्या करूं? उपसभाध्यक्ष (श्री हेच० हनुमनतप्पा) : कल उत्तर दे दीजिए।

Now we will take up the Further Discussion on the Price Situation.

SHORT DURATION DISCUSSION ON PRICE SITUATION IN THE COUNTRY—contd.

SHRI RAMESHWAR THAKUR (Bihar): Mr. Vice-Chairman, we have before us this very important subject of price rise and price situation in the country. Price rise concerns the entire community, the 750 million people of India. It concerns more particularly the common man, the weaker sections of the community, the wage-earners, the tribals, the Harijans, the minorities, other weaker sections, landless labourers, and so on. Therefore, it is essential that we discuss this in a more objective manner and not make it a party issue, not make it a political issue,

[Shri Rameshwar Thakur]

This is a subject in which a very objective assessment of the total situation is required. As we are aware, the present situation in the country has arisen primarily on the account of the fact that we have got nearly 280 districts out of 416 districts affected by drought. Similarly, large portions of eastern India have been affected by floods. In one State alone, viz. Bihar, floods have affected 32 districts totalling 2 crores 86 lakhs of people, causing losses to hundreds of crores of rupees worth of crops, loss of human life, loss of cattle. Therefore, we have to view the picture in the proper perspective. Today's situation has been aggravated by unforeseen circumstances in our economy on account of failure of the monsoon which has resulted in severe drought in large parts of the country while already some parts of the country are inundated by floods. Therefore, we have to view the price rise in an objective manner. It is a matter which requires examination from an economic angle. It reflects the supply position. It reflects the demand position. It also reflects that the pricing policy has a bearing on the economic development of the country. We have certain commodities in abundance today and certain other commodities in shortage. If you see the previous history you will find, leaving aside the early '30s when we had a depression for a long period, there has been a continuous rise in prices. If we see the First Five Year Plan, we find there were inflationary pressures which were, of course, contained to a large extent during the First Five Year Plan. Actually the price rise came down to 99 and the food articles declined to about 95, cereals 88 and pulses 77. But, during the Second Plan we find a gradual and steady rise in prices and the price rise was to the extent of 20 per cent because of additional investments, particularly in the agricultural sector, deficit financing of the order of Rs. 948 crores and adverse balance of payments. During the Third Five Year Plan, the situation deteriorated further and we find that there was a huge defence expenditure due to two consecutive wars, there was generation of black money, there was deficit financing and also there was the tendency to hoard. During the Fourth Plan, the situation deteriorated further because of the effects of the Indo-Pak was in 1965 and the failure of crops for two consecutive years in Bihar, Rajasthan, U.P. and M.P. and, therefore, the price level increased by 50 per cent. Even at the end of the Fourth Five Year Plan, when there was a slight reduction, it was 27.9 per cent. During the Fifth Plan, during the year 1974-75, again the price rise was very much. The Wholesale Price Index figure was 313 and the rate of inflation was 2.3 per cent per month. Sir, we should not talk about price rise from a political angle. But we cannot help saying that the situation was the worst after the Budget of Mr. Charan Singh. The price situation was alarming and many economists have commented upon it and that is a matter of record. But we should see things in the proper perspective. We had a slightly better situation during the Sixth Five Year Plan period. During the Fifth Plan period, a difficult situation was there. But, thereafter, we find that after a number of developmental activities having been taken up, price rise was contained gradually and we find that the Wholesale Price Index in March 1985 registered a fall as compared to 1984 and the rate of inflation from January 1983 to 1984 was 11 per cent which came down to six per cent later on and, in the year 1985-86, there was a degree of stability which had helped us a lot particularly during that period when there was price rise in a number of other countries in the world and we were able to contain it. Now, during the current year, if we see the situation, we will find that there has been an increase. High inflation rate is there in some consumer goods. We have to see the average increase from two angles, that is, from the angle of the Wholesale Price Index and the angle of the Consumer Price Index. In the case of the Wholesale Price Index, in October 1986, the increase was 6.79 per cent which rose to 8.7 per cent in October 1987. The annual rate anticipated in 1986 was 6.4 per cent and, in 1987, it is expected to be seven per cent. So far as the Consumer Price Index is concerned, it was six per cent last year, in September 1986, and it has gone up to 8.6 per cent in September

1987 and the expected annual rise seems to be 10.2 per cent in 1987 which was 9.2 per cent in 1986.

Sir, as we all are aware, there is a basic difference between the wholesale price and the consumer price. For consumer price, we know, we also take into consideration the services like transport, housing, health and education, which is not in the wholesale price. Also, there is another difference. Actually the consumer price is indicative of the industrial worker, the urban man, people living in the urban areas and agricultural labourers, whereas the wholesale price relates to commodities only. Another thing is that the base year is also different. The consumer price is based on the family budget survey in 1958-59, while the wholesale price is based on the transactions in 1969-70. That makes a lot of difference. But basically what I intend to bring to your kind notice is that the basic difference had not been in the general price rise in the country, but in essential commodities which are 11 in number. For them there is a price rise. If you take a few items for wour consideration, for instance, take cereals. In 1979-80 it was 14.03, in 1985-86 it was 9.31, in 1986-87 it was 2.15 and in 1987-88 10.57 per cent. So there is a marked increase in the price of cereals. In the case of pulses it is more. In 1979-80 it was 3.18, in 1985-86 it was 15.35, in 1986-87 8.01 and in 1987-88 24.96 per cent. So in the case of pulses we find there has been a lot of increase. Now even the STC has been asked to import two lakh tonnes of pulses, and so on. This is an item in respect of which there has been a lot of increase and the people are concerned. For fruits and vegetables the increase is not substantial. In 1979-80 it was 14.66, in 1985-86 it was 18.50, in 1986-87 it was 22.20 and in 1987-88 it was 5.99. There are two other items in respect of which the increase is more. One is fibres, for which I give two years' figures only, to save time. From 3.62 per cent in 1986-87 it has gone up to 16 per cent in the year 1987-88. In the case of oilseeds the price has gone up very high from 31.77 per cent last year to 32.85 per cent in 1987-88. In the case of a particular edible oil it has gone up again from 27.32 to 27.64 per cent. But the price of mustard oil has gone up very much. It is 48.89 per cent. That is why in the market there is a situation which is very difficult. So the total price rise for 11 important commodities was: 17.64 in 1979-80, 6.33 in 1985-86, 13.90 per cent in 1986-87 and 17.17 per cent in 1987-88. In the case of other commodities it is 14.67 in 1979-80, 4.45 in 1985-86, 2.78 in 1986-87 and 3.50 in 1987-88. So generally if you take the total of all commodities, was 15.70 in 1979-80, 3.8 in 1985-86, 6.65 in 1987-87 and 8.41 per cent in 1987-88.

I have given these figures to show that there are some commodities, essential commodities, for which the prices have gone up very much. But there is no general price rise as such. And there are some commodities in respect of which prices have gone down.

I will not take more time in giving you the figures. But there are two or three things which are important. The first is that the supply of commodities, particularly in the scarcity areas, the rural areas, the interior areas, should be much more. We understand that the Government have released more commodities, particularly more than 5 lakh tonnes of foodgrains. And we also understand that about 3,000 new distribution shops have been opened, and about 219 mobile vans have been started. But, I think, in many interior areas particularly affected by drought and flood, the situation is still alarming and, therefore, I would urge the Government to have more fair price shops, particularly in the interior rural areas and tribal belts where these foodgrains should be made available to the people. And the Government have given extra foodgrain supplies of about 5 lakh tonnes. If necessary, more food supplies should be given so that no persons should suffer and the prices should not further rise.

Secondly, in the case of other steps taken, one important step is the handling of the question of supply of money through

[Shri Rameshwar Thakur]

the RBI. Money supply also tends to rise the prices as we know in the economy. And, therefore, the Government has rightly taken the step in two ways. They have put more credit controls on oilseeds and vegetable oils, and the cash reserve ratio has been increased from 9-1/2 per cent to 10 per cent which was very important. And also the step to reduce the Government expenditure to the extent of about Rs. 650 crores is a laudable step. And this is what is needed. People want to know that when there is a crisis, when the prices rise, when there are obvious difficulties, naturally the Government should come and reduce their expenditure. I am sure, the hon. Minister will ensure that this cut in the Government expenditure is effected and the saving is brought about, which could also be utilised for the people suffering due to drought. And this will also help in containing the price rise. The other measure is the income-tax surcharge levied which has been 5 per cent upto Rs. 1 lakh and 7-1/2 per cent beyond Rs. 1 lakh. This is a very laudable step which has been welcomed by the common people. Now steps should be taken to ensure that the expected income of Rs. 350 to 400 crores should be collected during the current year which could also be utilised and which has rightly been earmarked only for the people affected by drought. And the third thing is the surcharge on the luxury goods and the air-conditioned travels and air travels and others. This surcharge also, I am sure, will enable us to get back altogether about Rs. 550 crores.

Sir, the more important question is to help the farmers for the rabi crop. Ultimately it is not the aid and assistance which will contain either the price rise or help the people in sufferance, but more important is that there should be positive help for production by the RBI, the NABARD and the nationalised banks and other agencies. They must come in a big way, in a positive way, not in a normal way, to help the farmers, those who are in sufferance on account of drought or flood. They should be given seed, fertilizer and other assistance so that they are in a position really to bring back the production which will contain the prices in the long run, in the coming year. Sir, another thing is the important of edible oil by the Government. Edible oil is a commodity where the price has gone up very high. We understand that the Government have released 2 lakh tonnes of edible oil in October and November whereas it was only 17,000 tonnes in July. In the case of sugar also, extra quotas have been released in September and October. We would expect that more and more releases, on the basis of the requirement and the necessity, would be made by the Government. And they should reach to the people. It is essential that there should not be hoarding, and very stringent measures should be taken by the Government against those who are trying to hoard commodities and trying to become instrumental for rise in prices. In spite of this, we must say that the Government has succeeded because of its bold policy and the total stock position of the cereals and other commodities, and also the Prime Minister's bold policy in going round to the different parts of the country asking various Government agencies to be very active. Therefore, in spite of such a big crisis, there has been no unprecedented situation as could have been like the one that we have seen in the forties in the case of West Bengal where for want of foodgrains about 40 lakhs of people died. There are much bigger crisis that we are able to face today. (*Time bell rings*).

Lastly, I would like to suggest two important things for the Government to do. Apart from this long-term planning for economic development, when we have crisis after crisis which affects our prices in the economy, we should have long-term integrated plan for flood and drought; irrigation projects which will give perennial supply of water to areas which are drought prone and areas which have got regular floods, they should have certain flood control measures. This is a national issue. This is a national challenge as has been stated by the Prime Minister. We must try to have long-term planning done particularly during the Eighth and the Ninth Plans to ensure that the remaining projects are completed and steps are taken to have

integrated development so that there is sufficient production, production of agricultural commodities and production of industrial goods, so that the supply position is maintained and people are able to get the commodities at reasonable prices and also that price-rise is not there. These are the most important and essential steps which the Government should take and I am sure the level of people's per capita income has to be raised so that even if the supply is available, the common man should be able to purchase it. There has been a good rise in the per capita income from 1970-71 when it was 633 and it has now gone to 2596, i.e., an increase of 4.1 times. The consumer price index has gone up from 182 to 608, i.e., by 3.34 times, but our population has grown much more than that.

Taking into consideration all the aspects, I would urge the Hon. Minister to focus light on what are the long-term measures and what immediate measures the Government is going to take to ensure that the people affected by drought and flood are not put to further hardship, and secondly there is no further rise in prices and there is no huge deficit in the coming budget, as has been pointed out by some friends. The administered prices have been stable so far and they should be kept at a stable level so that people are able to get the necessities of life without any hardship. With these words, Sir, I thank you.

SHRI M. KADHARSHA (Tamil Nadu): Mr. Vice-Chairman, Sir, the price situation has taken a very serious turn and the Government's inability to control the prices has become explicitly clear. If the Government travels at a bullock cart speed, the prices are galloping on horse-back. And if the Government takes a horse-ride, the prices are shooting up at the jet level. Sir, the wholesale price index has gone to 411.2 per cent as compared to the last year's figures. The wholesale price index has now exceeded 7.1 per cent. The wholesale price index of cereals has gone up by 10 per cent and that of pulses by 19.3 per cent and that of edible oil by 19.6 per cent.

Sir, you may be wanting to know wherefrom I got these figures. These are the figures given in the other House by the Hon. Minister for Food and Civil Supplies himself. Sir, the consumer price index has also increased by 10.2 per cent. The purchasing power of the rural people, on the contrary, has gone down to 4 per cent. This is at a time when the country is reeling under severe drought, when income generation and employment opportunities have gone down and the prices are increasing on the other side. Sir, the World Bank has projected zero krowth for the country's economy for the current year. Some of the Government functionaries are saying that there will be no recession.

Who is responsible for this rise in prices? In my opinion, it is the Government's economic policy, their wrong and short-sighted priorities, heavy expenditure on defence and above all, the callous neglect and indifference of Government authorities, which are mainly responsible for it. The Government is announcing dearness allowance whenever there is a demand from the Government servants. But along with this announcement of dearness allowance, the shopkeepers and the traders immediately shoot up prices of essential commodities. And whenever there is an increase in prices, the Government servants demand increase in dearness allowance. So, this has become a vicious circle. I would request the Government to see that whenever additional dearness allowance is announced, the prices of essential commodities are kept under check.

[Shri M. Kadharsha]

When the last Budget was presented, there was a deficit of Rs. 5688 crores and our hon. Prime Minister who was holding the Finance portfolio, promised that the level of the deficit will not be allowed to go beyond this amount. But what is the position today? It is increasing by leaps and bounds. The Government is trying to take refuge under the plea of drought. But, in fact, the Government is making money in the name of drought. I will tell you how they are making money. The requirement for drought relief measures is only Rs. 2000 crores. But the Government is collecting more than Rs. 3000 crores from various channels. Provision of Rs. 620 crores for drought relief measures had already been incorporated in the Budget itself. If we deduct the amount of Rs. 620 crores, the balance will be only Rs. 1380 crores. Now, the Government has introduced some austerity measures and expenditure on certain items is going to be curtailed, and this comes to about Rs. 650 crores. Recently, they increased the rail fare and air fare. This is going to fetch an additional income of Rs. 550 crores to the exchequer. The World Bank is giving assistance of Rs. Rs. 455 crores and the Government is likely to get aid from Japan to the tune of 270 crores. The East European countries have contributed Rs. 30 crores for drought relief measures, and the Soviet Union, Federal Republic of Germany and France have given Rs. 10 crores each, and the U.S.A. Rs. 8 crores. So, if we count all this, it come to more than Rs. 3000 crores. But what is the amount of assistance the Centre is giving to the States towards relief measures? It is only a meagre sum of Rs. 1312 crores. That is why I say that the Government is making money which comes to more than Rs. 1700 crores in the name of drought.

I may point out here that drought is not new to the country. When one part of the country is suffering from drought, some other part of the country is affected by floods, and this has become a regular phenomenon. When Mrs. Indira Gandhi was the Prime Minister, she advised our scientists to study the erratic monsoon pattern and the ecological conditions of the country. But till today we have not heard anything from the Government. I would like to know from the hon. Minister whether any scientific study will be undertaken in this respect so that the country could be saved from drought.

Coming to foodgrains, I presume that some time before there was a decision at the Cabinet level to put a ceiling on rice and wheat stocks which can be possessed by a trader. But though a month has passed, we do not know what happened to that decision. On the other hand, we are surprised to read in the newspapers that the Government is going to auction foodgrains in big cities like Madras, Calcutta and Delhi. More than a lakh tonnes of foodgrains are going to be auctioned. If the Central Government has the dexterity and the tenacity, why don't they take over the wholesale trade in foodgrains so that the blackmarketing can be put down? The Government's only answer to the price situation is the public distribution system. (*Time bell rings*) To what extent the public distribution system is functioning in the country is very well known. The Programme Evaluation Committee of the Planning Commission itself has pointed out, that too, before two years, that the public distribution system is not functioning properly in the country. There are seven or eight items like rice, wheat, sugar, kerosene, edible oil etc. Which are supposed to be supplied through the public distribution system. But the Programme Evaluation Committee has pointed out that not even 20 per cent of the public distribution network is supplying all these seven or eight items. Secondly, the quality of the goods sold in the super-markets is not good; they are not fit for human consumption. On the top of it, these goods find their way out because they fetch a very good premium in the open market.

SHRI SATYA PRAKASH MALAVIYA (Uttar Pradesh): Blackmarket.

SHRI M. KADHARSHA: The open market is almost a blackmarket.

Sir, as for the austerity measures, I will cite one instance. The Government of Madhya Pradesh is spending Rs. 24 lakhs to build an airstrip at the Kanha Park. As the House is aware, it is a national park. Even tuning a transistor or playing a record-player is banned in this area. Sometime ago, the Indian Airlines itself proposed to bring the Kanha National Park on the air-map. However, as it was felt that it would disturb the animal life in the park, the decision was given up. Now, the Government of Madhya pradesh is spending Rs. 24 lakhs when the Centre is implementing several austerity measures.

The price of gold has skyrocketed. In India, gold is as important as any other essential commodity. No marriage is celebrated without gold. Specially, the Mangal Sutra should be of gold. Therefore, it cannot be called a luxury. The amount of gold may vary depending on the financial status of the family, but it is a must. The price has gone up by more than Rs. 1,000 in the last three months. The Government have not taken any steps to control the price or import gold.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Please conclude.

SHRI M. KADHARSHA: I am concluding. There are a number of consumer protection laws like the Essential Commodities Act etc. But the Government have not taken sincere steps to implement these laws. They are on the statute book only. I would suggest that severe action should be taken against hoarders and blackmarketeers. The administrative machinery should be geared to meet the challenge. There should be a credible monitoring and vigilance mechanism and, above all, public-spirited people should be involved in the distribution of essential commodities. Thank you.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H. K. L. BHAGAT): Mr. Vice-Chairman, Sir, I am very grateful to you for giving me this opportunity to intervene in this debate. Though I was not present yesterday, I have taken down some of the points made by the hon. Members and I am grateful to Shri Balram, Shri M. A. Baby, Shrimati Renuka Choudhury, Shri Chimanbhai Mehta, Shri Pramod Mahajan, Shri Rameshwar Thakur and Shri Kadharsha who just now finished, for making very useful points. I may agree or may not agree with all the points made by them but I believe that the points made by them are useful and worth consideration and I shall try to, with all respect, place my observations before this hon. House.

Let me make it clear that I do not wish to indulge in any jugglery of figures to evade any issue or to avoid any issue or to minimise any issue or to put up any defence for the sake of defence. I believe that the problem of rising prices is a national problem. It is a problem which all of us put together have to face. There has to be a political will to face the problem. We have to ensure the cooperation of the trade. We have to bring out the might and strength of the consumers. All these three things put together can achieve better results and this is a sort of effort which has to be continuous, which has to be incessant, so as to yield better results.

I would straightaway say that, largely speaking the prices of most of the essential coommodities have risen more as compared to the last year, there is no doubt about it in my mind and as I said, I do not want to go into the jugglery of wholesale price index, this or that index. I believe more in the ground reality and the pinch that the people have. I wish to go by that and, therefore, I have a feeling that the price-rise is more than what it was last year and taking that into account....

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): How does Mrs. Bhagat feel?

SHRI H. K. L BHAGAT: Obviously, the hon. Members are very seasoned members of this House.. They are as much conversant with the situation as I am or at least a little more than that. Of course, there are some reasons for the price in-

[Shri H. K. L. Bhagat]

crease. I am not justifying it. There is the seasonal factor. Sometimes, some price rises every season during the same period, then we have got the widespread drought.

श्री राम अवधेश सिंह : (बिहार) : मैं एक जानकारी चाहता हूं मंत्री महोदय से। जो आप ने कहा उसी से एक सवाल बनता है। क्या मैं पूछ सकता हूं कि ...

SHRI H. K. L. BHAGAT : बाद में जो भी जानकारी आप चाहेंगे वह मैं दूंगा। So, Sir, I was saying that there are some reasons. The seasonal factor is there when certain commodities rise during the season. Then the drought condition is there. Fall in production is there. Increase in demand is there. These are four factors which contribute to the price rise. I would say, there is one more factor and that is the tendency of hoarding. Almost all the Members have asked for dehoarding drive. So, all these factors are there. The prices of essential commodities have risen more than the last year. The Government is concerned about it. I feel very much concerned about it and I would like to put it to you, I leave it to your judgement. We have tried to do something. The Central Government and the State Governments together have tried to do something. I would like to place before you some of the steps taken.

The basic question is that we should have more production of articles of certain things which the Ministry of Agriculture deals with. I won't be able to dilate in details on that but they have taken certain steps in respect of drought. They have taken as many steps are possible to see that we can have more production. That is one thing.

Secondly, in some cases we have increased the support prices to give incentive to the farmers to grow certain things more. But ultimately a balance has to be struck. It is a very curious cycle. If you increase the support price, then either you increase the subsidy, or increase the consumer price. Subsidy is already there. I would like to say, with due respect to this House, that I will come a little later to the pubic distribution system but my general observation at this stage is that our public distribution system is sometimes maligned, often maligned, and people criticise it. I am quite conscious of the deficiencies in the public distribution system which exist and I have some suggestonis which I have given to the State Governments. Some of these are being followed and I shall place before you these. But I would say that the present situation when we have this drought, when we have lesser production and we have these challanges before us, if anything, has proved that our country's decision—it is not our party's decision; this was a decision of our country—to have this distribution system, have the procurement system, have these fair price shops, with a subsidy of Rs. 2000 crores, is today, all the more we are becoming conscious, is standing the country in good stead. Supposing we had not procured these stocks, supposing we did not have these stocks, and supposing we did not have the fair price shops' system with us—which we are trying to improve, to which I will come a little later—what would have been the fate of our people now? Therefore what I am submitting, with respect, is this: with increased production in certain cases, another step we have taken is regarding imports. We are trying to import pulses. I would not say what the import so far is. I do not have the exact figures with me; that the other Ministries can tell you, we have increased the import of edible oils. Certain other steps we have taken. So more production, more incentives, some more imports so that the availability in the kitty can be improved.

Now, one important point is that partially this procurement has helped the farmer. Supposing there is too much production in the country. Will the private trader give that price to the farmer which the Government gives? No. The farmer in his own way feels that he is not geting a price which is justified. Every day we hear in this House that he feels that way and so on and so forth. On the other hand, supposing this support price or the minimum price were not

there, what would have happened to the farmer? Our system of procurement has helped the farmers as well as the consumers.

Now about the distribution system, we have about 3 lakh 40 thousand fair price shops all over the country as the source of distribution of certain essential commodities. The number of commodities differs in different States. Somewhere they have added one or two items but some standard commodities which the Central Government has fixed are distributed through these shops. Is there any way to know the requirement of essential commodities that these fair price shops should be given? We wrote to them, number one, you strengthen your distribution system, not today but during these three months I have incessantly, repeatedly written to them, particularly the drought-affected States, to increase the number of fair price shops? Private, cooperative, anything you can have, have it. If you do not have finances, you get the help of banks. The Reserve Bank has given directions that loans may be given by the banks for fair price shops. if you do not have static fair price shops, then have mobile vans. A number of mobile vans are operating in various States. We have given assistance for mobile vans to some States also. I have the details with me. If necessary, I can give it to you.

Then during these few months, I wish to bring to the notice of the hon. Members, more than 2,961 new outlets have been opened in the country, out of which 2176 are in U.P., 94 in Madhya Pradesh, 83 in Karnataka, 39 in Andhra Pradesh and some in Bengal also. I do not want to go into these figures. Let us forget these figures and not take your time on these. The idea was to increase the number of fair price shops.

SHRI RAM AWADHESH SINGH: Be brief. You should not feel you are delivering a lecture and consume so much time.

SHRI N. E. BALARAM (Kerala): Kindly speak into the mike. I am not able to hear you.

SHRI H. K. L. BHAGAT: I am sorry, Sir, I am just raising my voice a bit only to make myself audible, not otherwise, with no other intention. My friend there says he is not hearing me properly.

Sir, we asked the State Governments to increase the number of fair price shops according to the criteria laid down.

SHRI RAM AWADHESH SINGH: Allow me to put some questions.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Please sit down.

SHRI RAM AWADHESH SINGH: Unrealistic... (*Interruptions*).

SHRI H. K. L. BHAGAT: You may disagree with me. You have every right to disagree with me. But when you hear my opinion, my observations on it, I am very confident that you would agree with me. You have to just wait... (*Interruptions*)...

The facts I am giving are facts, given by whom? On whose authority am I quoting these figures? All of you sitting here.

SHRI RAM AWADHESH SINGH: We have also a right to intervene.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Please sit down.

SHRI H. K. L. BHAGAT: I am not disputing your right. Nor am I running away from responsibility. I do not believe in shifting responsibility. I think it is the joint responsibility of the Centre and the States to meet the situation. I am not shifting it to anybody. But the figures that I am giving you are the figures which I have got from the various State Governments. All of us sitting here have different State Governments. I have the impressions, in writing, of the Chief Ministers with me, of almost every State Government, and I am acting on the figures and information supplied to me by them. What I am saying is, I am satisfied with the cooperation which the Central and State Governments are extending to each other in meeting the situation so far as the supply of essential commodities through the public distribution system is concerned.

Now, I said, "Open more shops. If you need money, get it through bank loans.

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give it to the cooperatives. If you do not have a cooperative, give it to an individual. Then, open more mobile shops, have vans." In some cases we have extended some financial assistance also for vans. I also said, "If you can't do that, do it through haats and bazaars and give them ration cards" so that, as the Prime Minister has said, nobody in this country should be allowed to die for want of food. And our effort is to feed the public distribution system by increasing the supplies, by improving it, by further strengthening it.

Sir, I shall now tell you about the numbers. Allocations of essential commodities have been increased to cater to the requirements of the States and Union territories. During the period July-December, substantially higher allocations were made this year as compared to the corresponding period last year. Allocation of foodgrains during July-December 1986 was 101.64 lakh metric tonnes. For July-December 1987, the allocation is 110.29 lakh metric tonnes, the excess being 8.65 lakh metric tonnes. About sugar, we have given more. Imported sugar..... (*Interruptions*).... of course, a little less because the sugar is more. In addition, 20 lakh metric tonnes have been given for NREP/RLEGPR programmes.

So, what I am trying to submit is that the requirements of the public distribution system of wheat, rice, sugar, edible, oil and certain other commodities, we have met through the allocations that we have made. We have met them and I assure that all the States will get them. What we feel is, we are giving them and nothing will be allowed to come in the way of their getting their requirements for the public distribution system or for the expanded distribution system.

SHRI RAM AWADHESH SINGH: Where will you get the money from?

SHRI H. K. L. BHAGAT: My difficulty is, you have this impression. Sir, with respect to the honourable Members and more so to him because he is trying to interrupt me.... (*Interruptions*)....

SHRI SATYA PRAKASH MALAVIYA: He is trying to intervene.

SHRI H. K. L. BHAGAT: I know that the public distribution system needs to be monitored. I myself feel that it needs to be monitored. I have asked the State Governments to monitor it. I have given specific suggestions. I have said, firstly, put up a supervisory committee of five persons; I would prefer, mostly, women. The suggestion was given by the honourable Member, Mr. Balaram, that more women should be associated with this. Months back I had written to them saying, "Involve women. They know the pinch more and they will be more conscientious supervisors of the consumers' interests. Put a supervisory committee of five persons on each fair price shop." Some of them have at this level and at that level. All of them have said, "Yes, we will do that." All the Chief Ministers have written to me. Well, let me say, Sir, my own feeling is that the distribution system is serving a very useful purpose. Yet it does need improvements. It does need more monitoring.

I have a moral suspicion. I may have a hard evidence or not. I have a moral suspicion. When the price of edible oil in the open market is Rs. 25, Rs. 26, Rs. 27, Rs. 28 and the edible oil which we sell in the fair-price shops is Rs. 12, the margin is so much that there is scope for making extra money. I have a suspicion, a moral supicion. Therefore, my own feeling is that the best way to improve the distribution system, to face the price situation in the country, is to utilise the consumers, organise them, to use them, involve the people, make it a really participatory thing. I have written to all the State Governments. I hope the hon. Members will take up this matter with the State Governments. Let me tell them for their information. It is not that I entirely agree with them. I have my own opinion. Most of the State Governments have written, almost every State Governments has written, to me that their distribution system is working well. I can quote the Chief Ministers. I have their letters with me. My feeling is, and I have told them, and

they also feel that they do need monitoring. All the State Governments are cooperating. All the State Governments are quite conscious. Therefore, Sir, the first thing about the distribution system is this.

Secondly, one or two things have created particular problems. I would say about the position in regard to rice, there is nothing to panick about rice and certainly not about wheat. But, I would say, the rice position is not very easy. The position with regard to wheat is easy. Yet, we do not have limit less stocks. Therefore, we have to be cautious and careful so that we can face the situation in the next three months. Let us hope a good crop comes next year, we have better crops and we can face the situation. With regard to rice also we are keeping our options open. If necessary, in order to feed the people of India, if we have to go in for imports of rice, we will go for it. There is no problem.

It is a matter of credit to our entire nation, not to me, not to the ruling party, but to the whole of this country, that since we became free we have passed through successive difficult situations, we have passed through successive droughts. We remember the Bengal Famine. During these 40 years, all of us, working together, whatever the difficult situation, have risen. In this country we have not allowed people to suffer for want of availability of food.

Even today a difficult situation arose, more difficult, comparatively more difficult situation, about the edible oils. Because the gap between the demand and the supply was more, we resorted to certain imports. The market prices were there...

SHRI RAM AWADHESH SINGM: How much time will you allow him? He is repeating the same thing.

SHRI H. K. L. BHAGAT: Sir, the difficulty with the Members is that he is not interested in listening to me.

SHRI RAM AWADHESH SINGH: I am interested to put the brakes.

SHRI H. K. L. BHAGAT: Sit down. Whatever you wish to say, I am trying to say.....

SHRI RAM AWADHESH SINGH: You are repeating the same thing. You are not saying anything new.

SHRI H.K.L. BHAGAT: I have told you, I have told the hon. Members. I am not standing here to defend anything for the sake of defence.

SHRI RAM AWADHESH SINGH: You are taking time unnecessarily.

SHRI NIRMAL CHATTERJEE (West Bengal): There is one point which you should try to answer. There is a criticism in the press that more is being given from your foodgrain stock to the trade than to the public distribution system and the Food-for-Work Programme. This is true both for mustard oil and for foodgrains. They say that the stock in foodgrains has been reduced by 7 million tonnes, of which the PDS has received only 2 million tonnes, and the rest has gone to private trade as a method of market intervention, I am told. Is that true? If that is true, you have adopted a disastrous course. Would you enlighten about that?

SHRI H. K. L. BHAGAT: We are not giving anything to the private trade now. Let me make it clear that so far as the flour mills are concerned, we were giving them wheat first. Later on we reduced it to 50 per cent of their requirement at a particular time. We have also to keep a watch on the open market prices. We cannot be content merely with our distribution system. We have to see that prices of at least some essential commodities, at least the essentials among the essential commodities, in the open market remain with in limits. Recently we decided to have an open auction of one lakh tonnes of wheat so that flour mills can purchase and have more so that there is no shortage of Atta. We are not giving anything to the private trade from our stocks now. If any impression exists it is wrong. On the other hand we have taken positive steps. Stock limits of wheat, rice, edible oils and pulses have been reduced. We have written to the State Governments to dehoard. You

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all tell us to dehoard. I agree with you. Dehoard more, dehoard more, dehoard more. I have written half a dozen letters myself, sent express letters, went to the States, met the Chief Ministers and had discussions with the Chief Ministers. In fact, Mr. Tiwari and myself are going to have discussions with the Chief Secretaries of the States. I have suggested to them to have monitoring of prices at the State levels, have a committee under the Chief Minister with the representatives of the consumers and the elected representatives, sit every week, monitor the prices and take steps. With the cooperation of traders, strength of the consumers and political will of the Government combined together at the State level, district level and at the Taluka level, it can be done. Mr. Tiwari as Finance Minister has suggested and we are going to discuss it with Chief Secretaries of all States to monitor the progress. We have asked them to have a sort of monitoring cell in every State. I have a cell in my Ministry here to keep a watch on the prices. The battle on the price front has to be fought intelligently while being alert. This is what is being done. Every State and every Chief Minister has written they are doing it. They are looking after it. We want to be sure that the situation is being kept under watch in every district and in every Taluka. And if we involve the people in this and put them together, we will be able to know and at least do something about it.

SHRI NIRMAL CHATTERJEE: I accept your statement, but do you deny that report that to the private traders stocks are being released?

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): He has said through the private traders nothing is being given.

SHRI NIRMAL CHATTERJEE: There is a report that to the private traders foodgrain stocks are being released. There is a report that your stocks have been reduced by seven million tonnes, of which in the public distribution only minimal increase is taking place and the rest is being diverted through the private sector. The report is with me.

SHRI H. K. L. BHAGAT: I will say that now we are not releasing for sale any stock with the Food Corporation to any private traders except for what we are giving for the flour mills. We have now decided that we will have a public auction of one lakh tonnes of wheat so that Atta prices do not go up. That is all. Previously we were auctioning some stocks. Perhaps you are out-of-date. You know six months back we were thinking how to dispose of the stocks; today we are thinking how to conserve the stocks to help the people. The situation has changed, but there is nothing to worry. There is nothing to panic. As a representative of the Government I assure the hon. Member that we shall not allow any person in any State to suffer for want of food. Of course, today the stocks are not that much as they were three months back.

I was talking of dehoarding drive. According to the latest figures available, since August 1987, 32,681 raids have been conducted in different States. 1,487 persons have been arrested. 1,554 prosecutions have been launched and goods valued at Rs. 15.75 crores have been seized. This has been done during the last two or three months. The State Governments have done it I do not do it directly. In different States they have done it. And again I am asking them to do it more. I am sure all the hon. Members, the political clout that they have at their disposal, the connection that they have and the consumer organisations of the people will help us in this drive. I call upon the consumer organisations to join us in the dehoarding drive; inform the State Governments so that dehoarding drive becomes more effective. Then, Sir, certain raids have also been conducted to curb illegal forward trading in oilseeds, edible oil, etc. So far 16 raids were made at several places. This has been done during the last two months and 120 persons have been arrested. I have also told you that stock limits of the edible oils, pulses, etc., have been reduced. We have also curbed sales transactions. (*Interruptions*) My dear friend, why cannot you wait? I cannot understand. The number of sales transactions from one wholesaler to another has been restricted to one in the case of edible oils and pulses. The wholesalers dealing in pulses and

edible oils have been asked to dispose of their stocks within 15 days of their acquiring them. This is regarding monitoring and supervision.

I have taken some steps, let me say very frankly. It is easy to talk of control on prices on certain articles. It is very easy for me to fix it but the question is you have to ensure its availability at reasonable prices. When you are short of things you have to be careful. If I blindly fix the price of a certain thing and it goes under the ground and people don't get it, then, what is the meaning of it. (*Interruptions*) I am not making any reference to anything. I am not saying with reference to the context. Don't bother. I am not saying anything.

SHRI NIRMAL CHATTERJEE: You are so kind to us for not making any reference to any State. I have also not mentioned any States. In this drought year if there is a surplus of oilseeds in certain areas why don't you make them available in deficit States where price has been fixed? Why don't you do that?

SHRI H. K. L. BHAGAT: I assure the hon. Member that I am taking personal care to see that West Bengal gets adequate quantity of oil. I have initiated steps in this connection which are already moving .... (*Interruptions*).

SHRI CHITTA BASU: (West Bengal): The question is otherwise.

SHRI H. K. L. BHAGAT: Some problem had arisen with regard to West Bengal at a particular time.

SHRI RAM AWADHESH SINGH: But not to deficit States.

SHRI H. K. L. BHAGAT: I am talking about all States. Almost all the States have thanked me including your State.... (*Interruptions*). I am saying wherever there is a need, there is allocation. I assure you that by the end of December absolutely there will be no backlog left with regard to your State of West Bengal. In November itself things are moving. There were certain problems which arose. But I have discussed these problems with your Ministers. I have discussed it with everybody. I will not bring any politics here. I would not adulterate food with politics. Politics we will do outside. (*Interruptions*) No, no.

SHRI RAM AWADHESH SINGH: The whole Ministry is adulterated.

SHRI H. K. L. BHAGAT: I refute your charge. I refute your insinuation. Our Prime Minister's instruction to me was "take care of the food problem of each State and see that they are not troubled" I am doing my best to fulfil that. As I said, Sir, it is very easy to fix a price of a commodity but very difficult to administer it.

SHRI V. GOPALSAMY (Tamil Nadu): You are in full form.

SHRI H. K. L. BHAGAT: Thank you. Just as sometimes you are. Well, I am glad you accept that. I have great affection for you and also regard for your sentiments.

It is very easy to fix the price of a commodity but difficult to administer it. We have started doing something and I have also asked the Chief Ministers to do it. Some voluntary effort for containing the prices in this country is needed. There are certain essential commodities which are available at fair-price shops. There are some essential commodities whose prices have been fixed but there are yet some other essential commodities whose prices have to be fixed. You cannot fix it, You cannot administer it. Then, you have checking by Inspectors, bribes, corruption and what not. I myself at the Central level tried. We gave a little more imported oil to the vanaspati industry and asked them to fix the price voluntarily and they did it. Vanaspati has been sold at that price and even a little less than that price. Secondly about soaps. The soap prices were rising and I felt there was no justification. The price of rice brawn oil had gone down and soap was being imported. I called them and discussed the matter with them. I told them, "look, the Parliament Members feel very strongly about the rise in prices in soaps and therefore, you must reduce it. If you do not reduce the prices, I do not know what I shall have to do." Finally, I am happy that they agreed to do so and in all popular brands, some reduction was made and it has become already operative.

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Thirdly, I called the packet tea manufacturers and they also, after discussion, agreed to reduce the prices. Then, Sir, there was a shortage of butter. Now, I called the butter manufacturers. I felt that if I reduce their price, butter will disappear from the market. The impression was that under the table, some more money is being charged. I called the butter manufacturers—because there is no control over its price or its distribution and it is not easy to have it. I told them, "take care of your distribution system and secondly, produce more." They said, there is shortage of milk and other things. But they have assured that supply would be improved and supply position of butter has been improved.

Then, Sir, with regard to imported oil, we wanted to put more imported oil into the open market. So we decided that we should put open market imported oils through some auction sales, the idea being the gap between the PDS prices and the prices in the open market is much. So some prices should be fixed. The difficulty which the hon. Members face regarding the availability of butter, I also face. (*Interruptions*).

SHRI N. E. BALARAM: I am asking you one question for clarification. You are going to auction large amount of wheat and edible oils. 50,000 tonnes of wheat and 50,000 tonnes of edible oil. How does it help to control the prices?

SHRI H. K. L. BHAGAT: I will tell you. Now the point is that when we put after all, apart from our distribution system the public distribution, the fair price shops, that does not cover the entire population of this country. You have a distribution system which exists, right or wrong, traditionally, in every village and town of India. Now if open market oil is not available, obviously, there will be more leakage from the PDS. Secondly, open market, keep the price reasonable said, we should put in more oil in the open market, keep the price reasonable through tenders and then put it to auction at different centres in different States and put some restrictions on this quantity.

श्री राम अवधेश सिंह : आक्शन किया हुआ माल तो अंडरग्राउंड चला जाएगा। आपको व्यावहारिक ज्ञान नहीं है।

श्री एच० के० एल० भगत : आपको पता नहीं है कि माल तो उनके पास गया ही नहीं है। तो माल अंडरग्राउंड कहां से चला जाएगा।

श्री राम अवधेश सिंह : जब भी आप आक्शन करेंगे, तो वह माल अंडरग्राउंड चला जाएगा।

SHRI H. K. L. BHAGAT: We propose not to have only one auction. We made one experiment. We have a mind to pump in more imported oil into the market so that availability of imported oils is improved. That can bring down the prices. Even this talk and this talk of putting more oil has created a sentiment in favour of it for the time being in containing the prices. Now, Sir, these are the various types of steps which my Ministry has taken. Apart from that, Shri Narayan Datt Tiwari, the hon. Finance Minister has taken certain steps like credit squeeze and many other things which when he replies to the debate, he would elaborate. Actually, an effort against the prices is an effort which all of us know is created by various factors. A number of hon. Members have talked about inflation and many more things. Some fiscal aspects of the situation would be dealt with by the Finance Minister. But so far as my Ministry is concerned, whether it is the Finance Ministry or whether we are a Central Government as a whole, I am not apportioning blames, my job is to make available supplies to the State Governments. That is the first point. Secondly, it is the job of the State Governments to distribute them to the people. The essential commodities law is there and it has to be enforced by the State Governments. I do not blame anybody. I think they are doing it and they are conscious of the interests of the people and of the nation as a whole. I repeat here again. It is unfortunate that the consumer movement in this country, at the grass-root

level, is not as it should be. There are some consumer organisations which are doing good work. But, in order to have the best results, we have to have the movement at the grass-root level, at the village level, at the taluk level, at the district level, at the State level, and at the national level. I would like to say a word here about the implementation of the Act also. This House—credit is due to all of you for this—all of us, have passed one of the most progressive consumer legislations in the world, which, for the first time, recognised the rights of the consumers, created consumer protection councils.

Thirdly, in the machinery, right from the district level up to the national level, there will be one lady. In the National Cosumer Commission, we have five persons and one lady, one Judge and other people. I do not want to hide anything. I will tell you the truth. I believe in telling the truth and facing the situation honestly rather than dodging and running away from it. Consumer Protection Councils, in most States, as well as at the Centre, have been set up. The States have informed us. These Councils consist of various people, M.Ps. and others. One meeting of the Council at the Centre was held and I am going to hold the second meeting. So far as the State forums, the district forums, are concerned, the procedure is complete and simple. Without any fees, one paper of complaint will do. They are in the process. A number of States have given their proposals which they are considering. I hope that in a short time, the consumer redressal machinery forums will come up. Even so, the relief to the consumers will come only when a grass-root, organised, disciplined, responsible, consumer movement develops in the country. And for that I seek your cooperation. All of you are representatives of the people. Have a pull with the people, whether you are on this side or that side. This is what we should aim at. Cooperate so that we can give the best protection to the consumer. Law will not be and cannot be enforced merely by official agencies. It requires the participation of the consumer organisations. Even to the Super Bazar, I have said, "Set up a Committee of five women in every branch." As long as we do not do that, it is not possible. All of us have to pull together. The Government is very much anxious about the price situation. I am as much conscious as you are. We are doing our best in cooperation with the State Governments. Thank you very much.

श्री राम अवधेश सिंह : मैं एक क्लैरीफिकेशन चाहता हूं।

उपसभाध्यक्ष (श्री हेच० हनुमनतप्पा) : आप बैठ जाइये।.....**(व्यवधान)**।

श्री राम अवधेश सिंह : उन्होंने वायदा किया है।

श्री वीरेन्द्र वर्मा (उत्तर प्रदेश) : मंत्री जी ने क्लैरीफिकेशन के लिए वायदा किया है।

उपसभाध्यक्ष (श्री हेच० हनुमनतप्पा) प्लीज सिट डाउन, मि० राम अवधेश।... **(व्यवधान)**

श्री राम अवधेश सिंह : मंत्री जी ने वायदा किया है।

उपसभाध्यक्ष (श्री एच० हनुमनतप्पा) : नहीं।

श्री राम अवधेश सिंह : यह आप मेरे साथ अन्याय कर रहे हैं।.. **(व्यवधान)** क मिनट मुझे पूछने दीजिए। इन्होंने जो कहा उस पर मैं केवल एक बात जानना चाहता हूं कि अर्थशास्त्र का मंत्री जी को बहुत बड़ा ज्ञान है किसी बजट में जिसमें 5,800 करोड़ रुपये का डैफिसिट फाइनांसिंग जिस देश में हो उस देश में क्या कोई दुनिया की ताकत है कि बढ़ती हुई प्राइस को वह रोक सकती है? पिछले बजट में 5,800 करोड़ रुपये का डेफिसिट फाइनेंसिंग है और दूसरी बात जो है वह यह कि की-प्रोडक्ट्स के दाम सरकार खुद तय करती है जैसे डीजल का, पैट्रोल का, कोयले का ये की-प्रोडक्ट्स हैं, अगर इनके दाम बढ़ जायेंगे तो ये जितनी भी जगलरी करें... **(व्यवधान)**

उपसभाध्यक्ष (श्री हेव०हनुमनतप्पा :) आप बैठिए।

श्री राम अवधेश सिंह : दस परसेंट को डेफिसिट फाइनांसिंग में रुपया छापा है जिसके पीछे कोई प्रोडक्शन नहीं है तो दुनिया में कोई ताकत नहीं है जो कि

[श्री राम अवधेश सिंह]

प्राइस राइज को रोक सके। आपके प्रधान मंत्री कहते हैं कि भूखे नहीं मरने देंगे और वह नहीं रोक सकते हैं, इस बात का जवाब दीजिए कि डेफिसिट फाइनांसिंग का असर जो दस परसेंट आपके बजट में आ है उसका असर प्राइस राइज पर है या नहीं है ?

श्री एच०के०एल० भगत : एक मिनिट जरा सुनिए। आनरेबिल मेम्बर मैं तो आपकी तरह कोई अर्थशास्त्री नहीं हूं मैं तो मामूली जमीन का ग्राउण्ड वर्कर हूं... (**व्यवधान**).....सुनिए जरा। आपकी तरह मैं इकोनोमिक एक्सपर्ट नहीं हूं डेफिसिट फाइनेंसिंग कितना है जस्टीफाई कर रहे हैं आप खुद कि प्राइस रुक ही नहीं सकती... (**व्यवधान**).....

श्री राम अवधेश सिंह : हमको शिकायत यह है कि आपने कहा कि हमने रोक दिया प्राइस कम कर दिया ..(**व्यवधान**).....

श्री एच०के० एल० भगत : आपने सुना नहीं। मैंने कहा कि इम्पोर्टेन्ट फिजिकल मेटर फिजिकल पालिसी वह तिवारी जी जवाब देंगे। आपने सुना नहीं था क्या ?

श्री राम अवधेश सिंह: आपने कहा– रोक दिया। वह तो मैं कह रहा हूं कि अगले साल 10 हजार करोड़ से कम का डेफिसिट फाइनेंसिंग यह सरकार बजट में नहीं बना सकती। लेकिन आपने कहा कि हमने प्राइस रोक दिया है। क्यों देश को गुमराह कर रहे हैं .. (**व्यवधान**)...

श्री एच०के०एल भगत : मैं आपसे क्षमा चाहता हूं। मैंने जवाब दे दिया। जो बातें हैं बहुत सी चीजें हैं वह तिवारी जी जवाब देंगे जो हम कर रहे हैं, आपकी राज्य सरकार और हम मिलकर काम कर रहे हैं।

श्री वीरेन्द्र वर्मा : ठीक है, वित्त मंत्री जी ने सुन लिया। वह जवाब देंगे।

SHRI M. S. GURUPADASWAMY (Karnataka): Mr. Vice-Chairman, my friend, Shri H. K. L. Bhagat, spoke with concern and sincerity about the situation prevailing in the country. But I wish to say mere concern and sincerity is not enough. Something much more than sincerity is called for to meet a situation of this nature. The country is facing the worst drought in 125 years. Besides, it is also facing in many parts unprecedened floods. The people of India are under double calamity. To face the danger of such a dimension what is the response we expect from the Government? When I listened to the speech of my friend I got an impression that by taking various little steps and by adopting somewhat hurried measures, package of measures he thinks he would be able to salvage the situation. I am afraid, by these moth-eaten, fragmentary and weak measures, however many they are, they will not solve the present crisis. My first complaint is that the Government has not visualised the dimension, the real dimension, of the crisis. They have not understood the various ramifications involved in the crisis. If you permit me, this country has indeed reached a stage of disaster. We are facing an alarming situation, not only on the food front, but also on various other fronts. The price situation is only a phenomenon, a symptom, of a deep-seated malaise affecting the entire economy. It is true that the prices are rising, that the prices of most commodities are rising and, in particular, the prices of essential commodities are galloping so fast that I am afraid that by the end of this financial year the consumer price level will increase to the extent of twenty per cent. This could be more if there had been generation of employment in rural areas creating more demand and, in that case, the prices would have been higher. The demand for various commodities is less because the people are impoverished both in the rural and the urban areas, especially in the rural areas. Their purchasing capacity is so low. Therefore, the rise in prices of essential commodities may not go beyond 20 per cent. But if you take individual commodities, then you will find that the price rise is fantastically high and is beyond the capacity of the common man. Therefore, I would like to know from the Government whether the response of the Government to this situation is full and adequate; but I am afraid, it is not. The inflationary situation is beyond the control of this Government. We have

reached an inflationary situation where saving is a gamble while speculation is safe! It is a dangerous phenomenon. I would like to repeat it: The inflationary situation is such that speculation is safe, but saving is a gamble! I do not know whether the Government understands this situation in all its fulness.

Sir, what are the measures that are being taken by the various Ministries? Because of lack of time I am not able to go into all these various aspects. But let me tell you one thing. The Government is trying to save as much as it can by imposing economy in its expenditure. My friend, Shri Narayan Datt Tiwari, is earnest in his efforts to impose certain curbs on the expenditure of the various departments. But what is the saving that he is going to have? According to the figures with us, the saving contemplated is about Rs. 650 crores. Sir, in a Budget of eighty thousand crores, what is the percentage of this amount of Rs. 650 crores? It is less than one per cent! Is it the answer, is it the response of the Government to meet this danger? Even in normal days, even in days when we had normal stresses and strains, we used to hear that there should be a cut of five per cent or so on all expenditures, on Plan and non-Plan expenditure, on Defence and non-Defence expenditure and on Revenue and Capital expenditure. Now, in this year of calamity, my friend Mr. Narayan Datt Tiwari tells us that he is going to save Rs. 650 crores. May I ask him: Are you satisfied with this? Will it help you in any manner? On the 19th September he imposed certain levies with a view to collecting Rs. 550 crores to meet the danger. Is it adequate to meet the situation? Mr. H. K. L. Bhagat was waxing eloquent about the various measures taken about distribution. Has he succeeded in his efforts? His words show confusion and partial failure; he is not even satisfied. This is an extraordinary situation where measures have to be taken on a war footing. We are not taking measures on a war footing. All your measures, even on the distribution side, have not yielded fruitful results. But the whole economy is groaning under various pressures. It has lost the balance, the equilibrium, the stability.

Sir, the most important aspect is that we cannot tackle the problem of price in a vacuum; it cannot be treated as a separate issue. It cannot be taken away from the rest of the economy. The problem of price has got to be tackled in a comprehensive way. There has got to be proper distribution, supply and demand management, proper mechanism to handle the whole thing, supervisory staff necessary for that purpose, de-hoarding, punishment of blackmarketeers, and so on. It requires a tremendous effort on the part of the Government, both at the Central and State levels. I think it is missing. The sense of emergency or the sense of urgency is missing, sadly missing in the Government.

Sir, as I said, the price phenomenon has to be understood in the overall context. Unless we manage distribution, production and planning of various services, we will not be able to achieve the result that is required. Therefore, an integrated approach is very necessary. May I in this context suggest why not utilise this opportunity and come out with a comprehensive policy regarding price, wages and income? We have been talking about this for a long time. Let me tell you, the present crisis is the direct result of corruption, inefficiency and misguided priorities. And you have been depending upon inflationary financing for long. The Prime Minister the other day said while speaking on the Budget that he would not cross the limit of deficit financing envisaged in the Budget, i.e. Rs. 5,688 crores. And he said that it will be a 'Lakshman Rekha', if I remember correctly. Where is that Lakshman Rekha today? I know he will say that because of the extra-ordinary situation, we had to cross it.

Sir, this situation has taught us one big lesson, that is, when the country

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faces a setback like a drought or a flood or any other natural calamity, this country cannot take it well. We do not have the absorbing power. We have not built up that capacity. We have failed there. What is the use of saying that it is an extra-ordinary drought? I know, if there had been no reserve of 23 million tonnes of foodgrains, there would have been a large scale famine and deprivation. I know that. But should it satisfy us? A good economy, a vibrant economy requires that it will absorb any shock, any setback, any failure. I am afraid, this Government has been indulging in soft options, not taking to hard decisions which are very necessary. Even now, I would like the Government to take drastic steps to cut down the expenditure by 5 to 6 per cent. If you do that, there is no need for imposing fresh levies on the people. You will be able to save Rs. 4,000 to Rs. 5,000 crores. Why don't you do that? Bureaucracy is proliferating. And the security set-up itself in Delhi, I am told, is costing about Rs. 200 crores. And if you properly manage Defence production, we can save to the extent of Rs. 1,000 crores. We are spending about Rs. 12,500 crores on Defence. If you plan it properly and prune the Defence expenditure without compromising the targets—I say that a large-scale saving is possible in Defence expenditure. That is the story in other sectors too, in other Departments too. May I ask my friend—I respect him; he is sincere and enthusiastic and wants to do something—to bring about an economy of about Rs. 4,000 to Rs. 5,000 crores by drastically cutting unnecessary expenditure both in the Plan and non-Plan sectors, both in Defence and Civil sectors, in all the Departments? And apply the same thing to the State Governments. I would like the Government to approach this problem on a war-footing. When such a situation arises in future, Sir, I do not like this repeat performance saying that we have been taking so many measures and all that. The economy has got to take any shock and should be able to meet any contingency. Then only you can call it a good economy, otherwise no. Today your economy is in a shambles, your Plan is in a shambles, your development is in a shambles. Your growth rate is so small, your per capita income is so small that the shocks cannot be taken well, cannot be absorbed, and so we suffer. My friend, Mr. H. K. L. Bhagat, was saying that he is prepared to import even rice from foreign countries to meet the contingency, if it is necessary. Why should we import rice? What happened to all our claims, tall claims, about self-sufficiency in food production, what happened? When the distress comes, should we also melt away? Should we lose our will? Should we lose our sense of perspective? What is the meaning of food self-sufficiency which we talked about for a long time, for decades? I do not want any Minister of the Central Government to come and tell us we are importing rice. We should meet the situation by our own effort. We should be self-reliant. We have the capacity as a nation to meet the situation. If you did not have the capacity, I would have said, yes, import by all means. But today you have the means, the wherewithal, to meet this emergency, this crisis. But what is lacking is your will, there is lack of effort, lack of perspective, and lack of ability to manage the crisis situation. On this there is no question of politics. All are one on this. The most important thing is that the suffering masses have got to be helped, particularly those people who are in the rural areas, who have no purchasing capacity. You have to generate in the next few months large-scale employment. *(Time bell rings).*

Sir, I know you are ringing the bell. But in the next ten years we have to generate about 90 million jobs, nine million jobs have got to be generated every year, if you want to meet the crisis. Our job generation capacity at the present moment is very meagre and next two or three years are very crucial. I would like you to generate nine million jobs every year from now

onwards. Take all steps necessary for that purpose. Contain your inflation, as far as you can. Do not indulge in reckless money supply, which is dangerous. Control your credit by the Reserve Bank of India. No more unnecessary credit expansion by the Reserve Bank of India, no more money supply, more than necessary, and you should not cross the Lakshman-rekha at any cost, make up your mind. Give the assurance on that, that Lakshman-rekha, despite inflation, will not be crossed this year. Sir, I do not want to say much. I only wish that my suggestion that emergency war-like measures will be taken, to meet the calamity that is facing us. Thank you.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Yes, Mr. V. M. Jadhav.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): Mr. Gurupadaswamy, because we are discussing a very serious issue, may I have a clarification? On the one hand you advocate that expenditure on the Plan should be cut. On the other hand you say that the purchasing power of the people has gone down because there are less employment opportunities, and on the third hand you say that more jobs should be created for the people. Then how do you meet the situation by pruning the plan?

SHRI M. S. GURUPADASWAMY: I am not for curtailing the Plan. I am only against wastage; wastage in expenditure both on Plan and non-Plan side. That is what I said.

SHRI VITHALRAO MADHAVRAO JADHAV (Maharashtra): Mr. Vice-Chairman, Sir, while listening to this very important debate about the price situation in the country, one is very clear that this year is the unprecedented drought year of the century and we are spending a lot for the drought relief, and our agency, the Government agency, and our leaders have gone to the different areas which are drought affected. Even though it is a continuous phenomena, the phenomena of rising prices, right from the first day of the Independence or even pre-Independent era, I do not agree with some of the points which have been raised by the opposition Members that our economy has not come to a suitable stage.

Sir, when we look to our first planning budget, it was only of the order of Rs. 4,000 crores, if I am right. And today, it has come to be Rs. 1,80,000 crores. Taking into consideration the fact that the rupee value has come down to 14 nP, if we base our calculations on this fact, we find that we have improved our economy by seven times compared to what it was at the time of independence. That means, we have put in a lot of efforts, and it is due to our planning process, right from the First Five-Year Plan to Seventh Five-Year Plan that our country has come to such a stable economic stage and it can compete with any nation in the world.

Even then, there are some problems. When I was a student of agricultural economics, the first principle that I learnt in my college life was that there are three stages: production, consumption and satisfaction. Our production is coming down; our consumption has gone up and our satisfaction is less. Such a situation has appeared this year but it was not always the case. One question that comes to my mind is as to why the price index is growing. If we look at the price index as on 1st September, 1986, it was 380.81 on the basis of 1970-71 price line; and the consumer price index was 630 in November, 1985. Today, on 7th November, 1987, the price index is somewhat 412.8 per cent and consumer price index has gone from 710 to 735 per cent. Why is there so much difference in the wholesale price index and consumer price index? I do not understand the reason.

What is the real problem that we are facing today? It is not a problem that the price index is increasing; it is not a problem that the consumer

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price index is growing; it is only the problem of middlemen or the middle agencies that exploit our producers and the consumers and the common masses of the country. Unless we can have some strong legislation to curb these middlemen from operating in our econmy, we cannot control the price situation. This is my sincere opinion. The hon. Minister of Food and Civil Supplies was saying in his reply that we have 3,40,000 fair-price shops. I do not understand why we could not have a common phenomenon to control the prices in the fair-price shops at least. We have fair-price shops at our disposal. I can give one example. Don't take rice or sugar. Take the case of wheat. We buy wheat at Rs. 160 per quintal and at the fair-price shops we are selling the same wheat at the rate of Rs. 2.20 per kg. I don't know, the rate might have been increased. I do not understand this difference of Rs. 62 per quintal. There is a simple principle in agricultural economics that right from the time of production up to marketing, there should be only 10 per cent addition towards expenses. If we are getting it at Rs. 160 a quintal, then the expenditure over it should not exceed Rs. 16. I do not know if norms of yesterday have been checked to be applied today. But there should be some norms on the expenditure. When the fair-price shops were initially started, the idea was to supply the items after procurement from the producers. I would request the hon. Minister to enquire into it. You may at least decide the percentage of expenditure, maybe it is 10 per cent or 12 or 15 or even 20 per cent at the time of marketing. We have a network of fair-price shops. We must look at it seriously.

I don't want to go in details. While listening to my friend yesterday, my learned friend Mr. Chimanbhai Mehta, I found him giving so many figures showing how exploitation takes place against the labourers. I am not concerned with wage-earners. I am more concerned about the non-wage-earners. When we see the rural sector, 47 per cent of the population holds one hectare or it consists of landless labour. Even in normal years, they suffer. They are not able to get their domestic needs fulfilled. Now, because of the worst drought, 240 million people, that is, 24 crores, have been affected. Though a number of steps are being taken by the Centre and the States and though we have several monitoring agencies, we cannot rule out the possibility of exploitation of the people. Whenever there is a national calamity, the middlemen, the merchants, contractors and other people exploit the poor masses. The poor man is always subjected to exploitation. I know, the hon. Minister is an able statesman. He knows what are the problems in the rural areas. I would suggest, however, that a strong legislation should be enacted by Parliament to eliminate these middlemen. If you ask me, personally, I am for the abolition of middlemen from agriculture, trade and commerce. I do not know how far it is practicable. It is for the Minister to say.

Where are the lacunae? Why there is price rise? We have a number of public sector industries. There are a number of power-generation plants also. The situation is comparatively better now. Two years back, the capacity utilisation was 40 per cent; now it has gone up to 50 per cent. But we should see to it that the power-generation plants, whether it is thermal, hydro or atomic, should achieve a capacity utilisation of more than 80 per cent. When the public sector undertakings do not work to their full capacity, there is bound to be increase in the expenditure and consequent price rise. The hon. Minister should investigate this.

Then, we have big, medium and small industries. Seventy per cent of the small-scale industries have become sick. Large industries owned by Tatas and Birlas earn more profits because they get subsidy and concessions as export-oriented units. The Cent-

Mill of the Birlas is earning profits because it is a hundred per cent export-oriented unit. But how many mills are earning profits? I suggest that the big industries should be disciplined. It should be laid down, how much they should pay to their workers, how much production they should achieve and how much profits they should earn. The production and other activities of the big industries should be effectively monitored. The small-scale industries have become sick for various reasons. I would request the hon. Minister to undertake a study so that these small-scale industries could be given some relief as they play a major role in the industrial sector. (*Interruptions*)

Now, about agriculture. We started agro-service centres some five-ten years ago. The number is 500. Most of them—nearly ninety per cent—have become sick. These people went to the Supreme Court and the Supreme Court has given the judgement that they should be restarted. They have so many problems. They do not get subsidy in time. Whatever agricultural trade given to these centres has been taken over by other mrchants; marwaris and other people. The agricultural graduates, numbering more than 5,000, who were guaranteed business, have again become unemployed. Keeping in view the fact that agriculture is the prime industry, I would request the hon. Minister to see that these agricultural graduates are able to start back their business.

Sir, we should have an effective policy in regard to control of consumer price. In this connection, we should ensure that remunerative prices are given to agricultural commodities. Just now I gave you the example. I am one of the sugarcane growers. How much do I get in return for my cane? I get Rs. 250 per tonne but when go to the market to purchase sugar from factory, I have to pay Rs. 5 per kg. When the factories are getting so much I cannot understand why the farmer should not get more return. There should be some formula, how much the producer should get, how much the mill-owner should get and how much the consumer has to pay.

The second important thing is, our economy is totally dependent upon internal resources. Our foreign assistance is just 5 per cent or something like that. I request that 99 per cent of our economy should be dependent on internal resources only. Excepting technological asistance, we should not import anything the out dated technological assistance, we should not import anything the out dated technological assistance should also not be accepted. So, our economy should be firmly on the footing of internal resources.

Then we must have agricultural strategies. We must have production of oilseeds and pulses. It is not a good thing that we are importing every year edible oil worth Rs. 1400 to 1500 crores. If you give remunerative price to farmers, if you give thousand rupees per quintal to our groundnut producers they alone would supply your entire need and you will not have to epend on import. So, please accept this formula, give remunerative price and see the results.

Then we have a large number of agricultural scientists. Dr. Randhawa says, we have got 50000 agricultural scientists. What are they doing? They are simply quarrelling among themselves.

SHRI N. E. BALARAM: Why do you accuse agricultural scientists?

SHRI VITHALRAO MADHAVRAO JADHAV: You will not understand that. I am myself an agricultural scientist. The real scientists have to evolve fomulate to improve varieties of oilseeds and pulses and to give them to the Indian farmers. They do not have just to collect some data and sit down at one place. They are getting high salary. We must make better use of our technological and scientific manpower in the real sense of its definition.

My last point is that there are so many five-star luxurious hotels. Officers go by aeroplane. They get heavy D.A. and T.A. (*Interruptions*). Your policy is dependent

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on the basis of hatred. It is not a question of *dhai lakh ka palang*. Prime Minister cannot go in a bullock cart to America.

SHRI SATYA PRAKASH MALAVIYA: I did not take the name of the Prime Minister. You are taking his name here.

SHRI VITHALRAO MADHAVRAO JADHAV: I am saying so because I have never seen *dhai* lakh, I am a small farmer myself.

Another important point is, you must have employment-oriented schemes in all sectors. We must reap harvest both of land and sea. We must have planning of agriculture, fisheries as well as oceanography. They should be properly developed.

Another point is about control of population. As population increases the demand will increase and the price-rise will be there. So, we should have coordination in the field of population control also.

Then, Sir, there is a lot of corruption. A lot of black money is there in our country. We must have a definite legislation to curb black money. Parallel black money is there. There is corruption at the level of high officers. Even if we construct a small tank in a village, 40 per cent of the money goes to the pockets of contractors and engineers and by the time the work starts, the Sachivalayas give the reply that there is no money. That is the answer. Corruption is also the main cause of this price rise There should not be a wide difference in the salaries of high officials and lower employees and the wage-earners. We must have some ratio, as in the Soviet Union. If a man in the lowest rank gets Rs. 100, the highest person gets Rs. 700—that is seven times more. I do not know what is the limit to our salaries, but we must have some definite norms to fix the salaries also. And corruption in the Rural Employment Programmes must be rooted out properly.

SHRI NIRMAL CHATTERJEE: Just one question, Sir. You say that the salary range limit should be brought down. But as long as now salary income is much higher, it is not going to help. In Soviet Union that part does not exist. Unless you say that there should be a ceiling on incomes, you cannot desire that the Cabinet Secretary's income will not be 9 times more than that of the lowest man. You demand that.

SHRI VITHALRAO MADHAVRAO JADHAV: I understand your point. I have just made a reference that the salaried people are getting salary plus corruption and non-salaried people are not getting salary but only corruption. That is the only difference. That was not my point.

SHRI GHULAM RASOOL MATTO: People in the Soviet Union are all wage-earners.

SHRI VITHALRAO MADHAVRAO JADHAV: Sir, the Rural Employment Programmes—the RLEP, RLEGP—are very important programmes. Some corruption is going on in these programmes. It is so even in Forestry programme. There are so many cases. I would request the hon. Minister to have a real probe into this and to curb this corruption upto the maximum extent. If that is done, there may not be any more the problem of price rise, nor will the consumer price index or the wholesale price index increase.

श्री शरद यादव (उत्तर प्रदेश) : उपसभाध्यक्ष जी, मैं तो सोच रहा था कि मुझ को... (**व्यवधान**) मैं सिर्फ पांच मिनट ही लूंगा... (**व्यवधान**)

SHRI N. E. BALARAM: Now the time is short. I do not know what the programme is. What I want to say is that this is a very serious subject and we are dealing with it piecemeal—two hours, two hours, like that. What is the meaning of doing it in instalments? I think we are not treating the subject properly. I suggest that this subject must be taken up early in the morning. This is a very important subject.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M JACOB): If the hon. Member is permitted to continue upto 6 O'clock, then there is a paper to be

laid on the Table, after which we can adjourn.

SHRI N. E. BALARAM: I have no objection to adjourning. What I am suggesting is that it should be taken up early tomorrow and the hon. Minister should be available at that time.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Mr. Balaram, the subject is not treated lightly. The Business Advisory Committee had given 2-1/2 hours to this and we have already spent more than 4-1/2 hours on it. Being a very important subject, a number of speakers are participating. So we will take it up tomorrow, but tomorrow the Constitution Amendment Bill is already scheduled. It is all right. You have made your point. You rest assured hon. Minister will be available to reply.

SHRI GHULAM RASOOL MATTO: In fact the hon. Minister has, all through the 4-1/2 hours, listened to every one. I am very grateful to him. He has stood it quite well.

SHRI N. E. BALARAM But he should be available tomorrow.

THE MINISTER OF FINANCE AND THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): I Will be here tomorrow, day after tomorrow or whenever you want, I will always be there.

SHRI SATYA PRAKASH MALAVIYA: You are the Leader of our House.

SHRI GHULAM RASOOL MATTO: He deserves to be the Leader of the House.

श्री शरद यादव : उपसभाध्यक्ष जी, आज की बहस का जो सवाल है, वह देश में बहुत ही साधारण आदमी के लिए तकलीफदेह है। इस बहस के लिए सारे देश में बहुत रुचि थी, लेकिन इस बहस को हम लोगों ने शाम के वक्त करके बहुत मारा है। निश्चित तौर पर इसके ऊपर जो मेरे माननीय सदस्य बोल रहे थे, उनकी भावनाओं के साथ में अपनी भावनाओं को व्यक्त करते हुए दो-तीन बातें कहना चाहता हूं... (व्यवधान)

उपसभाध्यक्ष (श्री च० हनुमनतप्पा) : यादव जी आप बैठिये। आप कल कंटिन्यू करिए।

6 p.m.

PAPERS LAID ON TABUE—Contd.

Notification of the Ministry of Finance (Department of Revenue)

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): Sir, I beg to lay on the Table, a copy (in English and Hindi) of the Ministry of Finance (Department of Revenue) Notification No. 254/87-Central Excises dated the 25th November 1987, prescribing effective rates of additional excise duty in lieu of sales tax on man-made fabrics falling under Chapters 54 and 55 of the Central Excise Tariff on the basis of the widh of the fabrics, in supersession of Notification No. 50/87-Central Excises dated the 1st March, 1987, together with an Explanatory Memorandum thereon. [Placed in Library. *See* No. LT-5105/87].

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at one minute past six of the clock till eleven of the clock on Thursday, the 26th November, 1987.